



MINUTES

Studies Committee of the Legislative Council

July 19, 2004

MEMBERS PRESENT:

Senator Stewart Iverson, Jr., Chairperson
Representative Sandra Greiner, Vice Chairperson

Senator Nancy Boettger
Senator Amanda Ragan

Representative Chuck Gipp
Representative Delores Mertz
Representative Pat Murphy

MEETING IN BRIEF

.....

Organizational staffing provided by:
Ed Cook, Senior Legal Counsel,
(515) 281-3994
ed.cook@legis.state.ia.us

Minutes prepared by:
Ann M. Ver Heul, Legal Counsel
(515) 281-3837
ann.ver.heul@legis.state.ia.us

- I. Procedural Business.
- II. Consideration of Proposed RFP for Study of the Socioeconomic Impact of Gambling on Iowans.
- III. Materials Filed With the Legislative Services Agency.



Studies Committee of the Legislative Council

I. Procedural Business.

Call to Order. The third meeting of the Studies Committee of the Legislative Council for 2003-2004 was called to order by Chairperson Iverson at 10:32 a.m. on Monday, July 19, 2004, in Room 22 of the State Capitol in Des Moines, Iowa. The following members were present in person: Vice Chairperson Greiner, Representative Gipp, and Representative Murphy. The following members participated by telephone: Chairperson Iverson, Senator Boettger, Senator Ragan, and Representative Mertz.

Minutes of June 29, 2004, Meeting. Upon motion of Vice Chairperson Greiner, the minutes of the June 29, 2004, meeting were approved as distributed.

Adjournment. The Committee was adjourned at 11:00 a.m.

II. Consideration of Proposed RFP for Study of the Socioeconomic Impact of Gambling on Iowans.

A. Review of Proposed RFP.

Overview. At the request of Chairperson Iverson, Ed Cook, Senior Legal Counsel for the Legislative Services Agency, explained the proposed "Request for Proposals for a Study of the Socioeconomic Impact of Gambling on Iowans" which he prepared. Mr. Cook indicated that he incorporated changes into the document, indicated by strikes and underscores, based on input received from Wes Ehrecke, representing the Iowa Gaming Association, and Larry Blixt, representing Iowans for Quality of Life. Mr. Cook indicated that changes were made in the Section II "Scope of Services" portion of the RFP concerning paragraph "B. Study Specifics," paragraph "C. Study Timetable – Schedule of Events," and a new paragraph, "G. Peer Review Advisory Committee." Section IV, "Submission of Proposals and Communication," paragraph G, subsection 2, was also changed by deleting subparagraph "f" concerning plans for peer review or other processes.

Scope of Services Modifications. Mr. Cook stated that changes to the "Scope of Services" language in the proposed RFP mostly consisted of additions rather than deletions of language.

Mr. Cook explained that he incorporated suggestions from Mr. Ehrecke including a definition of the term "community"; consideration of the effect of tax revenues generated by a casino on a community's ability to access other private and public funding; consideration of retail sales and tax revenues generated by a casino; definition of the term "tourism rate" by using other tourism indicators; and consideration of net job creation in a community with a casino, including displacement of existing jobs and comparison of pay and benefits between casino and noncasino jobs.

Mr. Cook stated that he also incorporated suggestions from Mr. Blixt including requiring consideration of other commercial tax revenues in a community with a casino, not just casino-generated tax revenues; consideration of the rates of types of crimes in communities with and without a casino; consideration of all infrastructure costs associated with the presence of a casino,



not just roads; and clarifying that examination of the rate of emergency calls made in a community with a casino would include calls from "visitors," not just "tourists."

Peer Review Process. Mr. Cook indicated that the revised RFP included language providing for a peer review advisory committee, as requested by Mr. Ehrecke.

Mr. Ehrecke indicated that he was not aware if Mr. Blixt had any objections to the proposed peer review process. Chairperson Iverson stated that the main reason for including peer review of the consultant's preliminary final report is to ensure that the methodology used by the consultant is correct and that the study is credible. Senator Boettger referred to a letter received from Christine J. Reilly, Executive Director of the Institute for Research on Pathological Gambling and Related Disorders at the Harvard Medical School, and stated that there are flawed studies on gambling that have been done in the past and that she would like to avoid that situation in Iowa.

Vice Chairperson Greiner stated that she welcomed peer review to avoid criticism of the consultant's report but that she was concerned that requiring the preliminary final report to be available for peer review gives the consultant less time to prepare the report unless the deadline for submission of the final report is changed. In response to a question from Chairperson Iverson, Mr. Cook indicated that the peer review process was added on to the end of the previous study timetable so that the consultant could submit the preliminary final report rather than the final report to the Committee on March 18, 2005. Chairperson Iverson suggested that the consultant make an in-person progress report to the Committee on February 25, 2005, submit a preliminary final report by March 18, 2005, that the peer review process be completed no later than May 15, 2005, and that the consultant's final report be submitted by July 1, 2005.

Mr. Cook indicated that the actual date for submission of the consultant's final report did not need to be included in the RFP. He suggested that the RFP could instead specify that the final report must be submitted as agreed upon between the consultant and the Committee, after considering the peer review committee's findings, but no later than July 1, 2005.

Chairperson Iverson suggested changing the budget allotted for the consultant in the RFP from \$100,000 to \$90,000 so that \$10,000 could be allotted to pay for the peer review process. In response to a question from Vice Chairperson Greiner, Mr. Ehrecke indicated that he believed that \$10,000 would be sufficient to pay for a peer review since the reviewers are customarily paid by stipend and not by the hour. Senator Boettger expressed a concern about making sure that the peer review is unbiased. Chairperson Iverson stated that the purpose of the peer review is to check the methodology of the consultant's research, not the results of the research.

B. Committee Action.

Senator Boettger moved, and the motion was seconded by Representative Mertz, that the Committee approve the proposed RFP prepared and modified by Mr. Cook, with any changes to be approved by Mr. Ehrecke and Mr. Blixt. The motion included a requirement that the consultant's final report be submitted to the Committee following peer review, by July 1, 2005. The motion was adopted by voice vote.



Studies Committee of the Legislative Council

Chairperson Iverson asked that one staff member from each caucus be involved in monitoring the process.

Mr. Cook indicated that he would forward the proposed changes in the RFP to Mr. Ehrecke and Mr. Blixt for their approval and that he would consult with caucus staff. Mr. Cook stated that questions from bidders about the RFP are due by August 11, 2004, and that the next meeting of the Committee is tentatively set for August 16, 2004, to address those questions.

III. Materials Filed With the Legislative Services Agency.

- A.** Proposed "Request for Proposals for a Study of the Socioeconomic Impact of Gambling on Iowans," dated July 8, 2004.
- B.** Revised Comments on the RFP by Wes Ehrecke, Iowa Gaming Association, dated July 16, 2004.
- C.** Comments on the RFP by Larry Blixt, Iowa Great Lakes Quality of Life, dated July 16, 2004.
- D.** Memorandum from Christine J. Reilly, Executive Director of the Institute for Research on Pathological Gambling and Related Disorders at Harvard Medical School, dated July 7, 2004.

3492LC